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THE MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

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<http://www.michigan.gov/deq>



and

THE MICHIGAN MUNICIPAL BOND AUTHORITY

Thomas Letavis, Executive Director

Under the Authority of Part 54, Clean Water Assistance, of the Natural Resources
and Environmental Protection Act, 1994 PA 451 and the Shared Credit Ratings Act, 1985 PA 227

Present the

FISCAL YEAR 2004 ANNUAL REPORT of the MICHIGAN DRINKING WATER REVOLVING FUND

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I. INTRODUCTION

On August 2, 1996, the United States Congress passed the Safe Drinking Water Act (SDWA), 1976 PA 399, amendments of 1996 (P.L. 104-182). This legislation authorized the creation of a revolving fund to provide low-interest loans to qualified water suppliers for repairs or enhancements to public water supply systems. In theory, this fund would be very similar to the State Revolving Fund (SRF) created to assist water pollution control projects.

Michigan responded to the new federal program by creating the Drinking Water Revolving Fund (DWRF). As with the SRF, the DWRF is co-administered by the Michigan Department of Environmental Quality (MDEQ) and the Michigan Municipal Bond Authority (MMBA). The MDEQ handles all programmatic issues, while the MMBA serves the program with its financial expertise.

While there are many similarities between the SRF and the DWRF, there are some notable differences. For instance, the SRF is permitted to fund only municipalities, while the DWRF may include privately owned community water suppliers and not-for-profit non-community water suppliers. The SRF has very limited set-aside funds, whereas the DWRF makes liberal use of special set-asides to fund administration, capacity development, source water protection, source water assessments, etc. The loan repayment period in the SRF is limited to 20 years, while the DWRF can extend up to 30 years for communities that qualify as “disadvantaged”.

II. PROGRAM CONTACTS

For financial issues dealing with the bonding structure, bond documents, financial detail and audit results, contact:

Mr. Thomas Letavis, Executive Director
Michigan Municipal Bond Authority
Treasury Building
Lansing, MI 48922
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For technical reviews of DWRF projects, permit issuance, and administration of the set-aside programs authorized by the SDWA, contact:

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For program oversight, grant administration, and project management issues, contact:

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III. PROGRAM STRUCTURE

Michigan operates the DWRF within a financing structure similar to that of the SRF. We offer loans to qualified applicants who possess at least investment grade credit. Investment grade credit may be demonstrated by a separate credit rating or a credit assessment letter from one of the rating agencies, by a pledge of state revenue sharing with sufficient coverage, or by credit enhancement. Michigan law allows for a county or a public authority to issue debt on behalf of underlying communities. The investment grade credit must be approved by the MMBA for the entity issuing the debt. For water suppliers who are municipalities with granted bonding authority, this presents no significant challenges.

The DWRF sells tax-exempt revenue bonds to provide money that is used to reimburse communities for incurred costs. The most recent bond issue occurred in April 2004. Both the DWRF and the SRF 2004 Revenue Bonds received the highest ratings from Fitch (AAA), Moody's Investor Services (Aaa), and Standard and Poor's (AAA). These ratings demonstrate a high level of confidence in the structure and administration of Michigan's infrastructure programs. As the DWRF reimburses suppliers, federal funds from the capitalization grant and state match funds are transferred into a debt service reserve account to provide coverage for the leveraged bond issue.

IV. LONG-TERM GOALS

Michigan's DWRF established a new funding source designed to protect and preserve public health within the state's boundaries. Michigan's geographical identity as a Great Lakes state affords its citizens with an abundant and high quality water resource from which to draw its drinking water. Unlike many states, Michigan water supplies are plentiful and periods of restricted use are few and far between in most communities. Given our abundant water resource, the challenge for water suppliers lies in protecting the high quality of the resource as well as ensuring that adequate volume and pressure exist to deliver potable water to the customer.

In light of the interest in protecting public health, the MDEQ and the MMBA have undertaken efforts toward the attainment of Michigan's long-term goals as stated in the Intended Use Plan (IUP):

1. *To maintain statewide compliance with all applicable state and federal drinking water laws, rules, and standards.*
2. *To protect the public health and environmental quality of our state.*
3. *To maintain Source Water Assessment, Source Water Protection, and Wellhead Protection Programs.*
4. *To develop strategies within the DWRF to assist smaller, economically disadvantaged communities in meeting drinking water standards.*
5. *To promote the DWRF as a viable tool for use by Michigan water suppliers in financing their waterworks system improvements or upgrades.*
6. *To secure Michigan's full share of federal funding and to expeditiously obligate these funds, along with the state contributions, for the construction of eligible facilities that meet state and federal requirements.*
7. *To develop effective partnerships with other federal and state financing sources to*

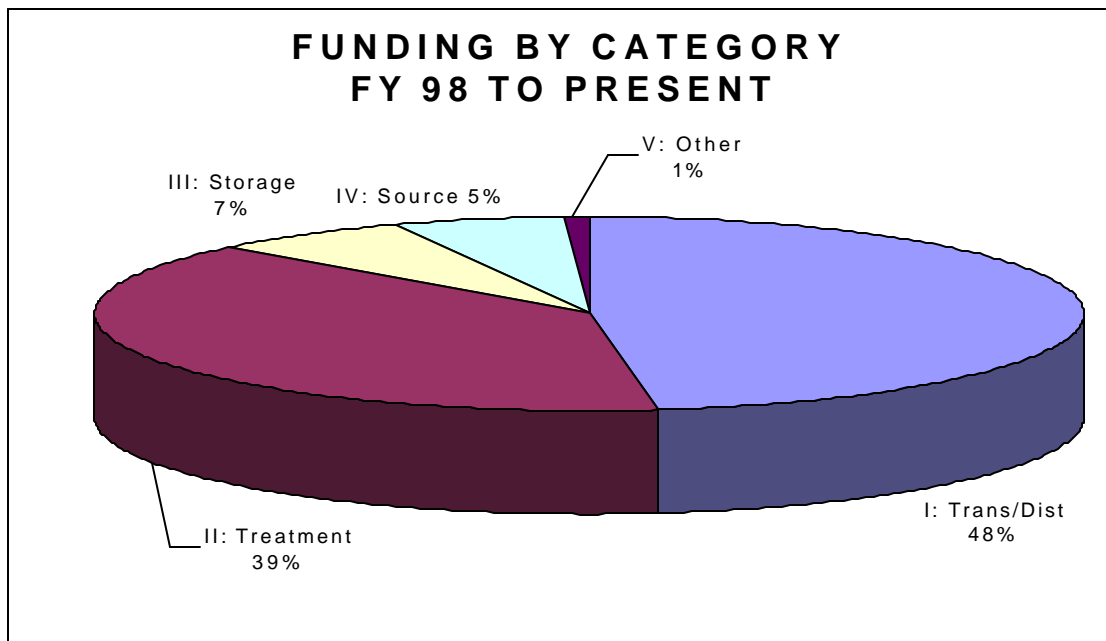
promote efficiency in environmental review procedures and coordination of funding.

8. *To apply a Capacity Assessment Program for all new community and non-transient non-community water supplies.*
9. *To continue new operator certification program requirements to assure proper operation and maintenance of public water systems.*

Michigan is proud of its accomplishments in promoting compliance with all applicable drinking water requirements. Prior to the creation of the DWRF, project financing for community water supply was left largely to local units of government or to individuals investing in their own systems. The DWRF provides a source of infrastructure financing that assists communities in protecting both public health and well being. In Fiscal Year (FY) 2004, 12 loans were made totaling \$60,170,000. This brings the DWRF to a total assistance of \$330,570,000 for 111 water supply projects since 1997 (see Attachment 1 – DWRF Funded Projects by Binding Commitment Date).

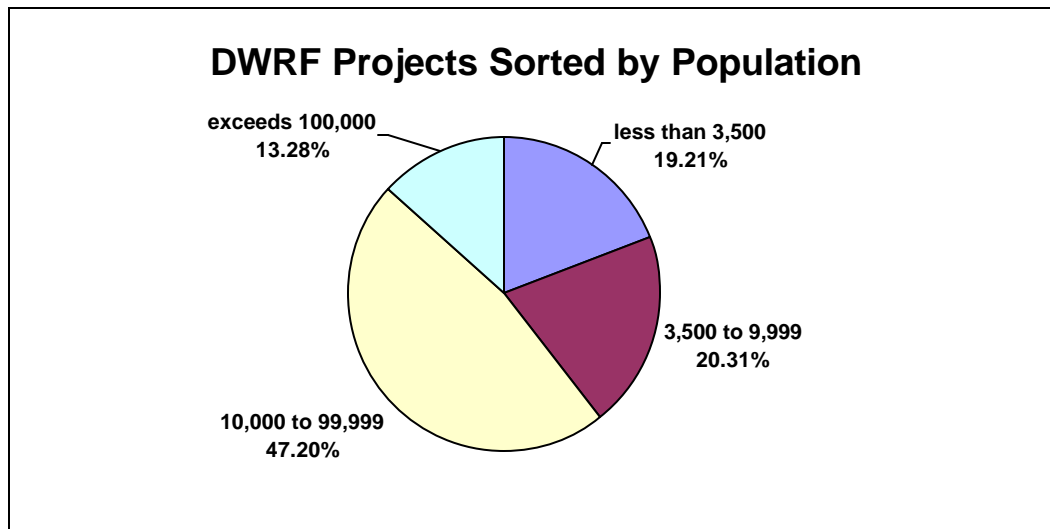
The following provides the cost breakdown by project category of all projects funded to date. Attachment 2 (DWRF Funded Projects by Category Costs Dollars) is a complete listing of all the projects.

I. Transmission/Distribution	\$157,730,036
II. Treatment	\$129,709,299
III. Storage	\$ 22,424,060
IV. Source	\$ 18,044,566
V. Other	\$ 2,662,039
TOTAL	\$330,570,000



The DWRF funds projects of varying population size. The following shows the dollar amount of projects funded by population size since the inception of the program.

Population less than 3,500	\$ 63,505,000
3,500 to 9,999	\$ 67,135,000
10,000 to 99,999	\$156,015,000
over 100,000	\$ 43,915,000
TOTAL	\$ 330,570,000



V. SHORT-TERM GOALS

In order to accomplish the long-term goals, we focused on more immediate objectives. Our short-term goals in FY 2004 were:

A. To continue our outreach effort to publicize the DWRF through direct mail, electronic media, newsletter publication, workshops, and meetings.

Our outreach efforts have been very successful. Program managers continue to meet with interested public water suppliers, consulting engineers, and associations with an interest in water supply issues. In addition, substantial program information is available through the internet on the MDEQ's web site.

B. To continue implementation plans for source water protection focused on statewide surface water assessments and groundwater assessments in areas tributary to the Great Lakes.

The 1996 amendments to the federal SDWA required states to submit Source Water Assessment Programs (SWAP) by February 6, 1999, for Environmental Protection Agency (EPA) approval. Michigan's SWAP was submitted on time and approved by the EPA in October 1999. The SWAP Advisory Committee has met 15 times since 1997 to develop the SWAP and assist with technical and public involvement issues.

The intent of the SWAP is to identify the areas that supply public drinking water; inventory contaminants and assess water supply susceptibility to contamination; and inform the public of the results. Michigan has completed assessments for 11,833 community and non-community public water supplies with an estimated 18,000 sources assessed.

In 1997, the state of Michigan reserved the maximum allowable, one-time 10 percent set-aside for SWAP of \$5,968,110 from the initial federal capitalization of the DWRF. There were no SWAP expenditures in FY 1997, but there were expenditures of \$372,879 in FY 1998, \$1.4 million in FY 1999, \$1.1 million in FY 2000, \$825,000 in FY 2001 and \$1.2 million in FY 2002. An updated SWAP Workplan/Budget was submitted to the EPA in October 2001 and approved on December 6, 2001, to allow full expenditure of the initial SWAP set-aside through May 2003. EPA accepted further extension of the Michigan SWAP through December 2003. With EPA concurrence, the remaining dollars (approximately \$500,000) of the SWAP set-aside were transferred to the Wellhead Protection set-aside.

Major SWAP expenditures in FY 2004 included continuing non-community assessment contracts with Michigan State University Institute of Water Research and local health departments. Joint Funding Agreements were continued through May 2004 with the United States Geological Survey to develop the connecting channels flow model in Southeast Michigan and assist with surface water and karst source water assessments. In addition, an \$82,481 Memorandum of Understanding continued with the National Oceanic and Atmospheric Administration, National Buoy Data Center, to equip and operate a real-time weather station on Lake St. Clair to support the connecting channels flow model. In April 2004, the Michigan SWAP also hosted the 5th Annual Non-Community Source Water Assessment Training Workshop for local health department staff.

SWAP activities continued through December 2003 to achieve the goals established by the SDWA. A final report was submitted to the United States Environmental Protection Agency in December 2004. The program has ended and focus will now shift from assessment activities to source water protection efforts (not yet funded).

C. To continue the State's Wellhead Protection Program through the implementation of matching grant programs.

Efforts to enhance wellhead protection areas of community water supplies embrace two fronts. During FY 2004, the WB continued efforts to develop and implement local Wellhead Protection Programs under the existing voluntary state program by administering the seventh round of matching Wellhead Protection Grants. Following is the history of grant awards in this program since its inception:

FY 1999	54 communities awarded	\$1,014,044
FY 2000	62 communities awarded	\$1,080,390
FY 2001	66 communities awarded	\$1,044,266
FY 2002	85 communities awarded	\$1,286,589
FY 2003	84 communities awarded	\$1,260,180
FY 2004	67 communities awarded	\$ 857,772
FY 2005	57 communities awarded	\$ 848,143
Total to Date	475 awards	\$7,391,384

During FY 2004, the WB continued the Clean Michigan Initiative (CMI) Abandoned Well Management (AWM) Grants program. This is a comprehensive 75 percent state-share grant program to manage abandoned wells identified inside wellhead protection areas of community public water supply sources. The first round of AWM grant contracts funded under the CMI, approved June 2001, authorized use up to \$1.2 million in CMI funds. The MDEQ had 36 communities participate in the first round of AWM grants. The projects have been successful in locating and plugging abandoned wells.

Project Status:

- 9 grantees are actively conducting the search component of their AWM projects.
- 2 grantees located abandoned wells but could not plug them due to local match funding shortfalls.
- 1 grantee suspended work on their AWM grant project due to a local decision to retrofit their old wells as a back-up for their surface water source. This was done in reaction to the September 11th tragedy and concern for system vulnerability to terrorist attack.
- 16 grantees are actively plugging abandoned wells inside their Wellhead Protection Area at this time.
- 19 grantees have successfully completed their AWM grant projects.

WB issued a second round of AWM grants in 2004. The second round projects are being capitalized using \$1.1 million in CMI funds appropriated in 2002. Eleven communities were issued AWM grants in the second round. One of these communities has already located and plugged 24 abandoned wells that average over 250 feet in depth.

The WB issued a Request for Proposals for a third round of AWM grants in September 2004. The open application period lasts until January 31, 2005. There are \$1.5 million in CMI funds, appropriated in 2002, remaining available to capitalize these grants.

The WB allocated and spent \$225,000 from the set-aside funds for administration of the AWM Program in FY 2004. Administration and coordination of the statewide Abandoned Well Management Program is provided out of the Lansing office of the WB. Staff expenses included one Full Time Equivalent (FTE) assigned to the Groundwater Section to coordinate AWM Program activities and one FTE working with the associated groundwater database. The state AWM Program is implemented in the field through local health department operation contracts and by WB staff stationed in district offices. Program highlights from FY 2004 included:

- Conformance with abandoned well plugging requirements on replacement well sites was estimated to be 80 percent on a statewide basis, based upon the findings from local health department program evaluations.
- WB continued specialized training programs intended for registered well drilling (plugging) contractors and local health department staff highlighting new technical procedures for plugging abandoned flowing artesian wells, plugging abandoned wells terminated in fractured bedrock, and using specialized tools for removing obstruction from abandoned wells.
- One local health department, with WB oversight, implemented new abandoned well plugging regulations through adoption of a point-of-sale program within their county health code that mandates plugging of abandoned wells at the time of real estate transactions.
- Two convictions were obtained as a result of WB enforcement action in conjunction with the DEQ Office of Criminal Investigations during FY 2004. The convictions involved purposeful, illegal burial of over 400 unplugged or improperly plugged abandoned wells. In both cases the court issued fines and ordered corrections. In one case, the violator received a jail sentence. The department also revoked the well driller's registration of two individuals involved in these violations.

D. To continue a Technical Assistance Program for small communities.

There are no authorized FTEs for this program. Existing staff in the WB and ESSD/RLOCS will administer it. During FY 2004, two communities qualified for disadvantaged community set-aside funds. The Village of Carsonville received \$33,599 and the Village of Ontonagon received \$36,148 from the Technical Assistance Set-Aside for reimbursement of their planning costs.

E. To fund projects identified on the Project Priority List (PPL) enabling communities to proceed during FY 2004 with the construction of facilities included in their adopted project plans.

The DWRF provided low interest financing to 12 projects totaling over \$60 million (see Attachment 3 – Fundable Range Quarterly Report for FY 2004). Attachment 4 contains the Notice to Proceed dates for the 12 projects funded. The MDEQ and the MMBA committed all available project funds in FY 2004.

F. To continue to invite stakeholder participation in the development of administrative rules for conducting capacity assessments of certain public water supplies.

There was no need for development of additional administrative rules for conducting capacity assessments during FY 2004.

G. To ensure that funded projects have reviewed and considered the security needs of the water system.

Project planning must include a complete description of the existing waterworks system and thorough evaluation of reliability requirements and the selection of an alternative that provides adequate security measures consistent with the Ten State Standards (April 2003 Policy Statement on Infrastructure Security for Public Water Supplies). The issuance of the required SWDA construction permit necessitates a review of construction drawings/specifications by the WB District Engineer for compliance with these standards. The MDEQ review and approval of planning and design documents provide the opportunity to insure that the water supplier's consultant has considered/included adequate security measures in the selected alternatives, a prerequisite to the commitment of DWRF funds.

VI. ESTABLISHMENT OF INTEREST RATES

The primary advantage for Michigan water suppliers is their ability to borrow funds at below market rates. The DWRF interest rate is established prior to each new fiscal year. As identified in Part 54, Clean Water Assistance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, determination of the interest rate is based on demand, market conditions, program costs, and future needs. Since a portion of the state match in any given fiscal year may be financed with State Revenue Match bonds, the upcoming year's interest rate must also account for the expense incurred in securing the bonds.

The DWRF is unique when compared to the SRF, in that both municipal and non-municipal water suppliers may participate if they are qualified. In assessing the market conditions for each type of entity, it was quickly apparent to the MDEQ staff that a municipality would enjoy lower rates of interest on the open credit markets than would a private, non-municipal supplier who would normally have to obtain taxable financing through commercial lending institutions.

Based on the knowledge that market conditions generally demand higher rates of interest for non-municipal borrowers, and considering limitations of having to serve them through a direct, non-leveraged program structure, the director of the MDEQ has determined that the DWRF will provide similar subsidy rates to both municipal and non-municipal borrowers. The interest rate in FY 2004 was 2 1/8 percent for municipal borrowers, and a 2 1/8 percentage point buy-down of interest for private water suppliers, although no private water suppliers were on the PPL.

VII. ADVANTAGES OF THE DWRF

Apart from the low interest rate, suppliers also benefit from the DWRF in that they can finance all eligible waterworks system costs. The major benefit results from the fact that water supply financing in the past has always been left to the local units of government or private entities. Historically, there has been no significant state financial assistance available to local officials in meeting water supply needs. The DWRF will provide an on-going source of funding to maintain or improve drinking water quality and public health. In addition, the on-site technical assistance, opportunities for source water assessment and protection, operator training and certification program, and the abandoned well management program provide a blend of direct and indirect aids to local communities across Michigan.

VIII. ALLOCATION OF FUNDS

Allocation of funds among eligible uses is based on a three-step process. First, the MDEQ and the MMBA identify the new sources of funds to be added to the revolving fund and the spending limits for the DWRF within the given fiscal year. Next, a determination of the type and amount of financial assistance necessary for each supplier is made. Finally, funds are allocated among the projects consistent with amounts available and the project's priority standing.

The following identifies the new sources of funds available to the DWRF in FY 2004:

FY 2004 Title IX Funds	\$34,030,100
FY 2004 State Match	<u>\$ 6,806,020</u>
TOTAL	\$40,836,120

There is an additional cash match of \$1,379,072 spent in FY 2004 from the Public Water Supply Fee program administered by the WB. This amount meets the dollar-for-dollar match requirement for source water protection, capacity development, and operator certification.

The governor of each state may, at his or her discretion, transfer 33 percent of available moneys between the SRF and the DWRF programs. This may occur starting one year after a state receives its first capitalization grant for project funds. This option was not exercised during the period covered by this annual report.

IX. EPA PAYMENT PROCESS

As the federal capitalization grants for the set-aside funds were awarded, EPA processed payment requests for increases to the state's draw capabilities via the Automated Standard Application for Payments system. In FY 2004, the MDEQ and the MMBA processed \$68,895,068 in actual disbursements. This included \$874,770 in disbursement requests for the MDEQ and the MMBA administrative costs. Non-administrative set-aside requests totaled \$2,835,521.

X. ASSURANCES

The final guidelines from the EPA set forth provisions that the state must give certain assurances in order to qualify for capitalization grant funding. These assurances were incorporated into the Operating Agreement signed by the EPA, the MDEQ, and the MMBA on December 9, 1997. Along with federal and state law, the Operating Agreement serves as the framework by which Michigan's DWRF program operates. The MDEQ and the MMBA have fulfilled the stated assurances throughout the operation of the DWRF during this fiscal year.

Michigan agreed to fair share objectives of three percent for Minority Business Enterprise and five percent for Women's Business Enterprise in FY 2003. In an attempt to meet the objectives, Michigan included a reporting requirement as a special condition in all supplemental agreements executed between the loan recipient, the MDEQ and the MMBA. Actual participation rates in FY 2004 for Minority Business Enterprise were three percent and for Women's Business Enterprise were two percent.

XI. SUMMARY

Michigan's DWRF program continues to grow as evidenced by the \$60,170,000 loaned to communities this fiscal year. As MDEQ promotes the DWRF program and works with communities to get projects funded, we will continue to provide safe drinking water to the residents of Michigan.

Attachment 1

Project No	Applicant	Location	Description
7032-01	Ottawa Co	Polkton Twp	Dist ext
7039-01	Mt Clemens	Macomb Co	Seg 1; Repl mains, looping
7021-01	Washtenaw Co	Saline	Water main replacement at four locations
7018-01	Carrollton Twp	Saginaw Co	Upgrade/replace the majority of water mains
7006-01	Otisville	Genesee Co	Two new wells with .5 mile main connections
7010-01	Sault Ste Marie	Chippewa Co	Segment B
7005-01	Lansing Twp	Ingham Co	Clement Road portion: 2600 ft. of replacement 12"
7004-01	Marine City	St Clair Co	New 750,000 gallon spheroid water storage tower
7011-01	Rockford	Kent Co	2 new supply wells, iron removal, main replacement
7013-01	Summit Twp	Jackson Co	Two new wells, elevated storage,
7002-01	Breckenridge	Gratiot Co	New well with 450ft transmission main
7001-01	Wixom	Oakland Co	Segment 1
7042-01	Lapeer Co	Village of Dryden	Repl mains, looping, new well
7031-01	Hudsonville	Ottawa Co	Repl mains
7030-01	Coopersville	Ottawa Co	Repl mains
7029-01	Van Buren Co	Paw Paw	Repl mains, looping
7017-01	YCUA	Washtenaw Co	Rehab/replace aged mains
7026-01	St Clair Co	City of Algonac	New intake crib, ps, grnd strg tanks
7024-01	Mt Clemens	Macomb Co	Seg 1; WTP upgrd, sed basin impr
7023-01	Blissfield	Lenawee Co	Repl WTP, new intake
7014-01	Oxford	Oakland Co	Replace and upgrade aged mains
7015-01	Flushing	Genesee Co	Replace/rehab distribution mains
7022-01	Manchester	Washtenaw Co	Repl mains, looping, det tank
7028-01	Frankfort	Benzie Co	New well, grnd strg, ps imps, repl mains
7001-02	Wixom	Oakland Co	Segment 2
7057-01	Fenton	Genesee Co	New grnd strg tank, repair strg tanks, looping
7039-02	Mt Clemens	Macomb Co	Seg 2; Repl mains
7066-01	Ironwood	Gogebic Co	Well field imp, WTP imp
7021-02	Washtenaw Co	Saline	Seg 2; Main repl, looping, press valves, elev strg
7059-01	Holly	Oakland Co	New well, rehab/expnd trt plant, upgrd wtr tower
7048-01	Plainwell	Allegan Co	2 new wells, elev strg, main ext
7038-01	Melvindale	Wayne Co	Repl mains, looping
7005-02	Lansing Twp	Ingham Co	Installation of 4000 lineal feet of 12" water main

Drinking Water Revolving Fund Funded Projects by Binding Commitment Date

DWRF

Binding Comm. Date	Binding Comm. Amount
6/12/1998	\$395,000.00
6/12/1998	\$855,000.00
6/12/1998	\$1,375,000.00
6/12/1998	\$2,165,000.00
8/27/1998	\$375,000.00
8/27/1998	\$4,155,000.00
8/27/1998	\$425,000.00
8/27/1998	\$1,155,000.00
8/27/1998	\$2,440,000.00
8/27/1998	\$4,630,000.00
8/27/1998	\$330,000.00
8/27/1998	\$3,895,000.00
8/27/1998	\$1,155,000.00
8/27/1998	\$500,000.00
8/27/1998	\$750,000.00
8/27/1998	\$830,000.00
8/27/1998	\$4,935,000.00
8/27/1998	\$7,900,000.00
8/27/1998	\$2,155,000.00
8/27/1998	\$6,485,000.00
8/27/1998	\$1,895,000.00
8/27/1998	\$2,045,000.00
8/27/1998	\$620,000.00
8/27/1998	\$1,775,000.00
3/5/1999	\$6,180,000.00
3/5/1999	\$1,480,000.00
3/5/1999	\$4,845,000.00
3/5/1999	\$900,000.00
5/25/1999	\$1,420,000.00
5/25/1999	\$1,435,000.00
5/25/1999	\$1,570,000.00
5/25/1999	\$1,100,000.00
5/25/1999	\$780,000.00

Project No	Applicant	Location	Description	Binding Comm. Date	Binding Comm. Amount
7046-01	East Jordan	Charlevoix Co	Phase 1; Grnd strg, repl mains	5/25/1999	\$850,000.00
7019-01	Flint	Genesee Co	WTP upgrade, seg 1	9/3/1999	\$7,220,000.00
7065-01	Grand Beach	Berrien Co	Repl mains	9/3/1999	\$720,000.00
7052-01	St Clair Co.	East China/China	New intake, WTP, repl mains	9/3/1999	\$8,425,000.00
7044-01	Sanilac Co	Lexington, Village	Upgrd/Expnd Lk Huron intake, WTP upgrd, dist imp	9/3/1999	\$2,040,000.00
7069-01	YCUA	Washtenaw Co	Phase 2: Repl mains	9/3/1999	\$1,085,000.00
7064-01	Eaton Rapids	Eaton Co	Repl mains, dist ext, WTP upgrd	9/3/1999	\$1,745,000.00
7053-01	Caro	Tuscola Co	Repl dist mains, new well, trans main	9/3/1999	\$1,035,000.00
7058-01	Highland Park	Wayne Co	Distribution Main Improvements	9/3/1999	\$6,000,000.00
7086-01	East Jordan	Charlevoix Co	Phase 2: New well, ps, repl mains, looping	9/3/1999	\$1,290,000.00
7008-01	White Cloud	Newaygo Co	New 200,000 gallon water storage tank	9/3/1999	\$835,000.00
7007-01	Mt Morris	Genesee Co	Distribution main replacement	9/3/1999	\$420,000.00
7001-03	Wixom	Oakland Co	Segment 3; Main extensions	3/2/2000	\$7,290,000.00
7039-03	Mt Clemens	Macomb Co	Seg 3; Repl mains, looping	6/1/2000	\$1,960,000.00
7082-01	Colon	St Joseph Co	New elev strg tank, new well, repl mains, looping	6/1/2000	\$2,085,000.00
7091-01	Ottawa Co	Allendale Twp	New booster sta, booster sta imp, trans main repl	6/1/2000	\$1,865,000.00
7024-02	Mt Clemens	Macomb Co	Seg 2; WTP upgrd, disin	8/31/2000	\$2,075,000.00
7090-01	Sparta	Kent Co	New well, repl mains, looping, standby power	8/31/2000	\$4,330,000.00
7019-02	Flint	Genesee Co	Clarifier, plate settlers, flume rehab	8/31/2000	\$8,035,000.00
7084-01	Chelsea	Washtenaw Co	Seg 1; New production well, trans main	11/28/2000	\$6,110,000.00
7083-01	Hudson	Lenawee Co	Repl high serv & well pumps/motors,	6/11/2001	\$1,770,000.00
7078-01	Sunfield	Eaton Co	Elev strg tank, looping, remove hydro tank	6/11/2001	\$880,000.00
7067-01	Lake Linden	Houghton Co	New well; grnd strg, repl mains	6/11/2001	\$1,200,000.00
7103-01	Milford	Oakland Co	Phase 1: WTP filter media, upgrd/repl stor tank	6/11/2001	\$1,905,000.00
7023-02	Blissfield	Lenawee Co	Install nitrate remvl equip	9/7/2001	\$750,000.00
7079-01	Muir	Ionia Co	New wells, elev strg tank, repl mains	9/7/2001	\$1,850,000.00
7100-01	Nashville	Barry Co	New & repl mains, WTP imps, standby generators, booster PS	9/7/2001	\$965,000.00
7019-03	Flint	Genesee Co	Filter rehab, electric rehab	9/7/2001	\$9,480,000.00
7010-02	Sault Ste Marie	Chippewa Co	Segment C	9/7/2001	\$1,800,000.00
7079-02	Muir	Ionia Co	Financial segment of 7079-01	11/29/2001	\$340,000.00
7088-01	Port Huron	St. Clair Co	Phase 2; Repl mains, looping	11/29/2001	\$8,945,000.00
7108-01	Shelby	Oceana Co	Repl mains, looping, booster station, booster station rehab	3/12/2002	\$1,365,000.00
7106-01	Milford	Oakland Co	Phase 2: Looping, dist main, upgrd/repl stor tank	3/12/2002	\$1,760,000.00
7095-01	Jackson Co	Parma	Ext dist mains	3/12/2002	\$1,110,000.00
7110-01	Port Huron	St Clair Co	Phase 3; Repl mains, looping	3/12/2002	\$3,930,000.00

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Project No	Applicant	Location	Description	Binding Comm. Date	Binding Comm. Amount
7084-02	Chelsea	Washtenaw Co	Seg 2; Repl mains, looping	3/12/2002	\$3,090,000.00
7009-01	Escanaba	Delta Co	Treatment plant annex	6/11/2002	\$2,750,000.00
7068-01	Marion	Osceola Co	Replace distribution mains	9/5/2002	\$1,800,000.00
7101-01	North Branch	Lapeer Co	New well, repl mains	9/5/2002	\$1,320,000.00
7102-01	Monroe Co	South Rockwood	Repl mains, looping, 2nd supply connection	9/5/2002	\$1,530,000.00
7113-01	Port Huron	St Clair Co	Phase 4; Repl mains, looping	9/5/2002	\$1,805,000.00
7085-01	Jackson Co	Grass Lake	new strg tank & repl mains	9/5/2002	\$2,255,000.00
7096-01	Ypsilanti	Washtenaw Co	Phase 3; Repl mains	9/5/2002	\$485,000.00
7098-01	Adrian	Lenawee Co	WTP upgrd, repl mains	9/5/2002	\$5,665,000.00
7107-01	Fenton	Genesee Co	New WTP w/ iron remvl, sftng, repl mains, looping	11/26/2002	\$9,600,000.00
7126-01	Grand Blanc	Genesee Co	WTP upgrd, arsenic trt, softening	3/11/2003	\$3,600,000.00
7099-01	Monroe Co	Petersburg	Trans main, PS	3/11/2003	\$2,720,000.00
7105-01	Port Huron	St Clair Co	Water main repl. - Tunnel St. Area	3/11/2003	\$1,800,000.00
7128-01	Deerfield	Lenawee Co	New elev stor tank, repl mains, looping	3/11/2003	\$925,000.00
7126-02	Grand Blanc	Genesee Co	WTP upgrd, arsenic trt, softening	3/11/2003	\$800,000.00
7010-03	Sault Ste Marie	Chippewa Co	Seg D & Seg E (partial) repl mains, looping	3/11/2003	\$3,135,000.00
7125-01	Davison	Genesee Co	Repl mains, looping	6/10/2003	\$2,430,000.00
7122-01	Ypsilanti	Washtenaw Co	Repl. Mains - City	6/10/2003	\$5,300,000.00
7129-01	Filer Twp	Manistee Co	New elev stor tank; well imps; dist.main/looping	6/10/2003	\$1,490,000.00
7120-01	Belding	Ionia Co	New well; transmission main; looping	6/10/2003	\$685,000.00
7116-01	Charlevoix Co	Village of Boyne	New ground storage tank, water meters	6/10/2003	\$595,000.00
7115-01	Boyne City	Charlevoix Co	New ground stor tank; new well; trans mains; booster station	6/10/2003	\$1,785,000.00
7114-01	Barry Co	Yankee Springs	Yankee Springs Twp elev water tank	6/10/2003	\$650,000.00
7112-01	Ypsilanti	Washtenaw Co	2nd DWSD supply connection - City	6/10/2003	\$785,000.00
7111-01	YCUA	Washtenaw Co	2nd DWSD supply connection - Twp	6/10/2003	\$3,355,000.00
7054-01	Port Sanilac	Sanilac Co	New WTP, repl mains, looping	6/10/2003	\$2,135,000.00
7043-01	Monitor Twp	Bay Co	Repl mains, looping	6/10/2003	\$455,000.00
7019-04	Flint	Genesee Co	Seg 4; WTP upgrd/expnd	9/4/2003	\$19,180,000.00
7034-01	Saline	Washtenaw Co	New WTP	9/4/2003	\$6,840,000.00
7117-01	Portland	Ionia Co	New elev stor tank, new well	9/4/2003	\$1,450,000.00
7138-01	Davison	Genesee Co	WTP upgrd, arsenic trt, well	9/4/2003	\$3,570,000.00
7147-01	Port Huron	St. Clair Co	Water main repl. - CSO Area 35	3/9/2004	\$2,315,000.00
7134-01	Huron Co	Village of Elkton	Repl mains, looping	3/9/2004	\$835,000.00
7136-01	Brighton	Livingston Co	Rehab WTP, repl mains	3/9/2004	\$1,520,000.00
7146-01	Ann Arbor	Washtenaw Co	Repl mains	3/9/2004	\$805,000.00

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Project No	Applicant	Location	Description	Binding Comm. Date	Binding Comm. Amount
7142-01	Muskegon	Muskegon Co	WTP upgrd/expnd; looping; strg/ps imp	3/9/2004	\$13,900,000.00
7139-01	Sanilac Co	Carsonville	Repl mains, looping,	6/8/2004	\$1,065,000.00
7137-01	Beverly Hills	Oakland Co	Repl mains	6/8/2004	\$3,690,000.00
7123-01	Ypsilanti	Washtenaw Co	Repl mains - City	6/8/2004	\$6,330,000.00
7132-01	Port Huron	St. Clair Co	Water main repl. - non CSO Area, Part A	6/8/2004	\$600,000.00
7027-01	Ontonagon	Ontonagon Co	New WTP, conn main, ext for consolidation (refinance)	6/8/2004	\$7,370,000.00
7141-01	Independence Twp	Oakland Co	New wells, trt, stor, repl mains, looping	9/2/2004	\$18,000,000.00
7133-01	Armada	Macomb Co	New WTP, new well, repl mains, looping	9/2/2004	\$3,740,000.00
Total Binding Comm. Amount				111 projects:	\$330,570,000.00

Attachment 2

Drinking Water Revolving Fund Funded Projects - Category Cost 00A Dollars

DWRF

Project No	Applicant	CatI	CatII	CatIIIA	CatIVA	CatV	Bind.Comm.Amount
7001-01	Wixom	\$1,644,580	\$0	\$2,250,420	\$0	\$0	\$3,895,000
7001-02	Wixom	\$6,180,000	\$0	\$0	\$0	\$0	\$6,180,000
7001-03	Wixom	\$6,132,694	\$0	\$0	\$0	\$1,157,306	\$7,290,000
7002-01	Breckenridge	\$0	\$0	\$0	\$330,000	\$0	\$330,000
7004-01	Marine City	\$0	\$0	\$1,155,000	\$0	\$0	\$1,155,000
7005-01	Lansing Twp	\$425,000	\$0	\$0	\$0	\$0	\$425,000
7005-02	Lansing Twp	\$780,000	\$0	\$0	\$0	\$0	\$780,000
7006-01	Otisville	\$162,677	\$0	\$0	\$212,323	\$0	\$375,000
7007-01	Mt Morris	\$420,000	\$0	\$0	\$0	\$0	\$420,000
7008-01	White Cloud	\$268,160	\$0	\$566,840	\$0	\$0	\$835,000
7009-01	Escanaba	\$0	\$2,750,000	\$0	\$0	\$0	\$2,750,000
7010-01	Sault Ste Marie	\$4,155,000	\$0	\$0	\$0	\$0	\$4,155,000
7010-02	Sault Ste Marie	\$1,800,000	\$0	\$0	\$0	\$0	\$1,800,000
7010-03	Sault Ste Marie	\$3,135,000	\$0	\$0	\$0	\$0	\$3,135,000
7011-01	Rockford	\$398,214	\$1,812,997	\$0	\$228,789	\$0	\$2,440,000
7013-01	Summit Twp	\$2,350,117	\$648,308	\$972,462	\$659,113	\$0	\$4,630,000
7014-01	Oxford	\$1,895,000	\$0	\$0	\$0	\$0	\$1,895,000
7015-01	Flushing	\$2,045,000	\$0	\$0	\$0	\$0	\$2,045,000
7017-01	YCUA	\$4,935,000	\$0	\$0	\$0	\$0	\$4,935,000
7018-01	Carrolton Twp	\$2,165,000	\$0	\$0	\$0	\$0	\$2,165,000
7019-01	Flint	\$0	\$7,220,000	\$0	\$0	\$0	\$7,220,000
7019-02	Flint	\$0	\$8,035,000	\$0	\$0	\$0	\$8,035,000
7019-03	Flint	\$0	\$9,480,000	\$0	\$0	\$0	\$9,480,000
7019-04	Flint	\$0	\$19,180,000	\$0	\$0	\$0	\$19,180,000
7021-01	Washtenaw Co	\$742,160	\$0	\$0	\$632,840	\$0	\$1,375,000
7021-02	Washtenaw Co	\$534,348	\$0	\$885,652	\$0	\$0	\$1,420,000
7022-01	Manchester	\$501,978	\$118,022	\$0	\$0	\$0	\$620,000
7023-01	Blissfield	\$0	\$6,485,000	\$0	\$0	\$0	\$6,485,000
7023-02	Blissfield	\$0	\$750,000	\$0	\$0	\$0	\$750,000
7024-01	Mt Clemens	\$0	\$2,112,276	\$42,724	\$0	\$0	\$2,155,000
7024-02	Mt Clemens	\$0	\$2,075,000	\$0	\$0	\$0	\$2,075,000
7026-01	St Clair Co	\$0	\$5,012,158	\$2,887,842	\$0	\$0	\$7,900,000
7027-01	Ontonagon	\$7,370,000	\$0	\$0	\$0	\$0	\$7,370,000

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Project No	Applicant	CatI	CatII	CatIII	CatIVA	CatV	Bind.Comm.Amount
7028-01	Frankfort	\$1,109,563	\$0	\$448,738	\$216,699	\$0	\$1,775,000
7029-01	Van Buren Co	\$830,000	\$0	\$0	\$0	\$0	\$830,000
7030-01	Coopersville	\$750,000	\$0	\$0	\$0	\$0	\$750,000
7031-01	Hudsonville	\$500,000	\$0	\$0	\$0	\$0	\$500,000
7032-01	Ottawa Co	\$395,000	\$0	\$0	\$0	\$0	\$395,000
7034-01	Saline	\$360,843	\$6,419,494	\$0	\$59,663	\$0	\$6,840,000
7038-01	Melvindale	\$1,100,000	\$0	\$0	\$0	\$0	\$1,100,000
7039-01	Mt Clemens	\$855,000	\$0	\$0	\$0	\$0	\$855,000
7039-02	Mt Clemens	\$4,845,000	\$0	\$0	\$0	\$0	\$4,845,000
7039-03	Mt Clemens	\$1,960,000	\$0	\$0	\$0	\$0	\$1,960,000
7042-01	Lapeer Co	\$1,041,498	\$0	\$0	\$113,502	\$0	\$1,155,000
7043-01	Monitor Twp	\$455,000	\$0	\$0	\$0	\$0	\$455,000
7044-01	Sanilac Co	\$647,413	\$0	\$0	\$822,113	\$570,474	\$2,040,000
7046-01	East Jordan	\$335,028	\$0	\$509,058	\$5,914	\$0	\$850,000
7048-01	Plainwell	\$572,385	\$0	\$737,650	\$259,965	\$0	\$1,570,000
7052-01	St Clair Co.	\$641,936	\$6,395,323	\$595,468	\$792,273	\$0	\$8,425,000
7053-01	Caro	\$729,845	\$0	\$0	\$305,155	\$0	\$1,035,000
7054-01	Port Sanilac	\$1,283,433	\$851,567	\$0	\$0	\$0	\$2,135,000
7057-01	Fenton	\$643,069	\$0	\$770,926	\$0	\$66,005	\$1,480,000
7058-01	Highland Park	\$2,746,269	\$3,253,731	\$0	\$0	\$0	\$6,000,000
7059-01	Holly	\$513,639	\$762,672	\$158,689	\$0	\$0	\$1,435,000
7064-01	Eaton Rapids	\$1,293,940	\$451,060	\$0	\$0	\$0	\$1,745,000
7065-01	Grand Beach	\$710,000	\$0	\$0	\$10,000	\$0	\$720,000
7066-01	Ironwood	\$0	\$0	\$0	\$900,000	\$0	\$900,000
7067-01	Lake Linden	\$516,578	\$0	\$373,636	\$309,786	\$0	\$1,200,000
7068-01	Marion	\$1,762,927	\$0	\$0	\$37,073	\$0	\$1,800,000
7069-01	YCUA	\$1,085,000	\$0	\$0	\$0	\$0	\$1,085,000
7078-01	Sunfield	\$106,857	\$0	\$773,143	\$0	\$0	\$880,000
7079-01	Muir	\$751,562	\$0	\$578,125	\$520,313	\$0	\$1,850,000
7079-02	Muir	\$136,000	\$0	\$136,000	\$68,000	\$0	\$340,000
7082-01	Colon	\$1,483,596	\$0	\$306,478	\$211,672	\$83,254	\$2,085,000
7083-01	Hudson	\$399,802	\$1,222,827	\$147,371	\$0	\$0	\$1,770,000
7084-01	Chelsea	\$497,768	\$5,612,232	\$0	\$0	\$0	\$6,110,000
7084-02	Chelsea	\$3,090,000	\$0	\$0	\$0	\$0	\$3,090,000
7085-01	Jackson Co	\$1,441,944	\$0	\$813,056	\$0	\$0	\$2,255,000

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Project No	Applicant	CatI	CatII	CatIII	CatIVA	CatV	Bind.Comm.Amount
7086-01	East Jordan	\$1,241,920	\$0	\$0	\$48,080	\$0	\$1,290,000
7088-01	Port Huron	\$8,945,000	\$0	\$0	\$0	\$0	\$8,945,000
7090-01	Sparta	\$3,911,188	\$0	\$0	\$418,812	\$0	\$4,330,000
7091-01	Ottawa Co	\$1,865,000	\$0	\$0	\$0	\$0	\$1,865,000
7095-01	Jackson Co	\$1,110,000	\$0	\$0	\$0	\$0	\$1,110,000
7096-01	Ypsilanti	\$485,000	\$0	\$0	\$0	\$0	\$485,000
7098-01	Adrian	\$1,140,140	\$4,524,860	\$0	\$0	\$0	\$5,665,000
7099-01	Monroe Co	\$2,720,000	\$0	\$0	\$0	\$0	\$2,720,000
7100-01	Nashville	\$789,135	\$175,865	\$0	\$0	\$0	\$965,000
7101-01	North Branch	\$1,054,303	\$0	\$0	\$265,697	\$0	\$1,320,000
7102-01	Monroe Co	\$1,530,000	\$0	\$0	\$0	\$0	\$1,530,000
7103-01	Milford	\$449,152	\$89,044	\$1,366,804	\$0	\$0	\$1,905,000
7105-01	Port Huron	\$1,800,000	\$0	\$0	\$0	\$0	\$1,800,000
7106-01	Milford	\$1,311,780	\$0	\$448,220	\$0	\$0	\$1,760,000
7107-01	Fenton	\$2,989,242	\$6,074,877	\$0	\$535,881	\$0	\$9,600,000
7108-01	Shelby	\$1,120,814	\$0	\$0	\$244,186	\$0	\$1,365,000
7110-01	Port Huron	\$3,930,000	\$0	\$0	\$0	\$0	\$3,930,000
7111-01	YCUA	\$0	\$0	\$0	\$3,355,000	\$0	\$3,355,000
7112-01	Ypsilanti	\$0	\$0	\$0	\$0	\$785,000	\$785,000
7113-01	Port Huron	\$1,805,000	\$0	\$0	\$0	\$0	\$1,805,000
7114-01	Barry Co	\$0	\$0	\$650,000	\$0	\$0	\$650,000
7115-01	Boyne City	\$1,426,073	\$0	\$0	\$358,927	\$0	\$1,785,000
7116-01	Charlevoix Co	\$0	\$0	\$595,000	\$0	\$0	\$595,000
7117-01	Portland	\$73,583	\$0	\$962,381	\$414,036	\$0	\$1,450,000
7120-01	Belding	\$318,220	\$0	\$0	\$366,780	\$0	\$685,000
7122-01	Ypsilanti	\$5,300,000	\$0	\$0	\$0	\$0	\$5,300,000
7123-01	Ypsilanti	\$6,330,000	\$0	\$0	\$0	\$0	\$6,330,000
7125-01	Davison	\$2,430,000	\$0	\$0	\$0	\$0	\$2,430,000
7126-01	Grand Blanc	\$0	\$3,600,000	\$0	\$0	\$0	\$3,600,000
7126-02	Grand Blanc	\$0	\$800,000	\$0	\$0	\$0	\$800,000
7128-01	Deerfield	\$292,221	\$0	\$632,779	\$0	\$0	\$925,000
7129-01	Filer Twp	\$706,389	\$0	\$783,611	\$0	\$0	\$1,490,000
7132-01	Port Huron	\$600,000	\$0	\$0	\$0	\$0	\$600,000
7133-01	Armada	\$2,652,424	\$784,356	\$0	\$303,220	\$0	\$3,740,000
7134-01	Huron Co	\$835,000	\$0	\$0	\$0	\$0	\$835,000

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Project No	Applicant	CatI	CatII	CatIIIA	CatIVA	CatV	Bind.Comm.Amount
7136-01	Brighton	\$1,520,000	\$0	\$0	\$0	\$0	\$1,520,000
7137-01	Beverly Hills	\$3,690,000	\$0	\$0	\$0	\$0	\$3,690,000
7138-01	Davison	\$0	\$3,570,000	\$0	\$0	\$0	\$3,570,000
7139-01	Sanilac Co	\$1,065,000	\$0	\$0	\$0	\$0	\$1,065,000
7141-01	Independence Twp	\$5,542,629	\$5,542,630	\$1,875,987	\$5,038,754	\$0	\$18,000,000
7142-01	Muskegon	\$0	\$13,900,000	\$0	\$0	\$0	\$13,900,000
7146-01	Ann Arbor	\$805,000	\$0	\$0	\$0	\$0	\$805,000
7147-01	Port Huron	\$2,315,000	\$0	\$0	\$0	\$0	\$2,315,000
Total OOA Category Costs for 111 projects:		\$157,730,036	\$129,709,299	\$22,424,060	\$18,044,566	\$2,662,039	\$330,570,000

Attachment 3 Drinking Water Revolving Fund: Fundable Range Quarterly Report - Fiscal Year: 2004 DWRF

2nd Quarter Projects		Binding Commitment Date: 3/9/2004		
7134-01	Huron Co	Village of Elkton	Repl mains, looping	\$835,000
7136-01	Brighton	Livingston Co	Rehab WTP, repl mains	\$1,520,000
7142-01	Muskegon	Muskegon Co	WTP upgrd/expnd; looping; strg/ps imp	\$13,900,000
7146-01	Ann Arbor	Washtenaw Co	Repl mains	\$805,000
7147-01	Port Huron	St. Clair Co	Water main repl. - CSO Area 35	\$2,315,000
2nd Quarter Total		5 Projects		\$19,375,000
3rd Quarter Projects		Binding Commitment Date: 6/8/2004		
7027-01	Ontonagon	Ontonagon Co	New WTP, conn main, ext for consolidation (refinance)	\$7,370,000
7123-01	Ypsilanti	Washtenaw Co	Repl mains - City	\$6,330,000
7132-01	Port Huron	St. Clair Co	Water main repl. - non CSO Area, Part A	\$600,000
7137-01	Beverly Hills	Oakland Co	Repl mains	\$3,690,000
7139-01	Sanilac Co	Carsonville	Repl mains, looping,	\$1,065,000
3rd Quarter Total		5 Projects		\$19,055,000
4th Quarter Projects		Binding Commitment Date: 9/2/2004		
7133-01	Armada	Macomb Co	New WTP, new well, repl mains, looping	\$3,740,000
7141-01	Independence Twp	Oakland Co	New wells, trt, stor, repl mains, looping	\$18,000,000
4th Quarter Total		2 Projects		\$21,740,000
Total Fundable Range Dollars		12 Projects		\$60,170,000

Attachment 4

Drinking Water Revolving Fund
Notice to Proceed for FY 2004

<u>Project</u>		Notice to
<u>#</u>	<u>Project Name</u>	<u>Proceed Date</u>
7027-01	Ontonagon	4/24/2000
7123-01	Ypsilanti	4/5/2004
7132-01	Port Huron	6/22/2004
7133-01	Armada	9/17/2004
7134-01	Huron County	4/26/2004
7136-01	Brighton	11/10/2003
7137-01	Beverly Hills	8/4/2004
7139-01	Sanilac County	7/15/2004
7141-01	Independence Township	11/1/2004
7142-01	Muskegon	1/26/2004
7146-01	Ann Arbor	4/13/2004
7147-01	Port Huron	3/25/2004